



City of  
**T**



**ucson**

*City Strategic Plan*

**economic development**



# Economic Development Focus Area

## Introduction:

Tucson's economy is predominantly service based, with many jobs tied to tourism, retail, and public service. More recently, regional economic growth has largely been fueled by population increases, not real economic expansion. To improve this situation, economic experts advise that we diversify our economy by expanding our manufacturing base and by increasing the number of companies in our region engaged in export-based industry. Diversification is important because a strong and diverse economy results in an increased number of quality, high-paying jobs and a higher overall standard of living for area residents. One way to encourage economic expansion is through implementation of an economic cluster strategy. Tucson has become a leader and a model in this area.



An economic cluster is a geographic concentration of interdependent competitive firms in related industries that do business with each other. Clusters help attract businesses to an area and create a spawning ground for start-up companies. They create large, diverse pools of experienced workers; attract suppliers who tend to congregate in their vicinity for increased efficiency; and foster a competitive spirit that stimulates growth and innovative strategic alliances.

The cluster strategy has resulted in a modest increase in technology based manufacturing; however, gains in several areas are necessary to significantly boost Tucson's overall economy. Continued diversification, continued emphasis on a well-trained workforce, and continued improvements to our infrastructure are particularly important. To be successful, Tucson must be able to provide the services and opportunities successful businesses require. Quality of life issues, such as our public education system and preservation of our natural environment, cannot be overlooked, and efforts to improve and maintain them must be a priority. Without question, the success of the Mayor and Council in Economic Development is directly linked to success in the other five focus areas (Neighborhoods, Transportation, Downtown, Growth, and Good Government).

## Overarching Strategy:

Recognize that every public policy decision has an economic component. Investment in public infrastructure and services, transportation, downtown, neighborhoods, and how we plan for and manage growth are key components of a healthy economy.

## Strategic Policy Statements:

1. Foster a strong, diversified economy by creating, attracting, and retaining businesses that provide knowledge-based, high-quality employment opportunities.
2. Support the development of a prepared and successful workforce.
3. Improve community infrastructure to support and encourage economic expansion and opportunity in a global marketplace.

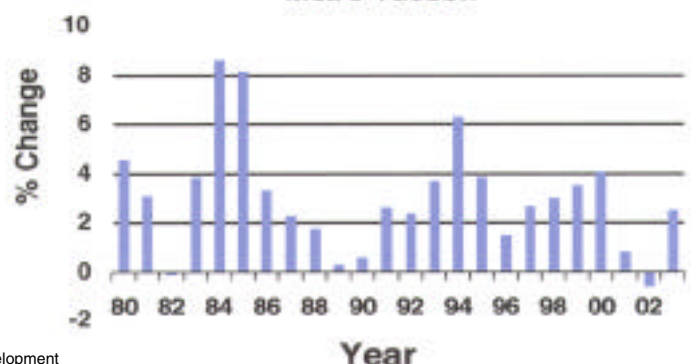
## Strategic Policy Statements

**1. Foster a strong, diversified economy by creating, attracting, and retaining businesses that provide knowledge-based, high-quality employment opportunities.**

## Priority Projects:

- **Develop a Clear Economic Identity for Tucson** - Partner with local economic development organizations to integrate the City Strategic Plan with the community economic development strategic plan to further develop Tucson's economic identity and "portfolio."

**Job Growth**  
Metro Tucson



- **Tucson Technology Incubator** – Business creation is a key part of developing the local economy. At the Tucson Technology Incubator, high technology companies are cultivated to become the next set of high tech employers in our community. Once these companies are viable, it is imperative that they are persuaded to stay in Tucson.

- **Support for Tucson Clusters** – The industry cluster concept and the Southern Arizona Technology Council are important components of the economic development strategy. Public support for these groups should be proportionate to their demonstrated ability to improve the overall economy.

- **Support for Local Businesses** – Continue programs and advocacy services directed at retaining and expanding local businesses, including small businesses. Through the supply chain development and BusinessLINC program, increase profit opportunities for Southern Arizona businesses by linking them with local suppliers.

- **Tucson-Mexico Economic Alliances and Greater Tucson Economic Council's Tucson-Canada Economic Alliances** – Support these two efforts which are closely linked and are proving successful in creating investment opportunities in Tucson.

- **Tucson Empowerment Zone, Enterprise Zone, Foreign Trade Zone No. 174,**  
- Use available state and federal tax credit programs, including the newly awarded Empowerment Zone, to assist companies to reduce the cost of doing business in our community.

- **Support the Recruitment of Quality, Knowledge-based Jobs (GTEC)** – Continue to fund and support the Greater Tucson Economic Council (GTEC) and the recruitment of high-wage jobs to Tucson. The recruitment of new businesses to the

community not only expands the employment base, but it infuses new capital into the economy.

- **Tourism** – Work with local tourism promotion organizations in developing a comprehensive strategic marketing plan that encompasses our key City projects.

## 2. Support the development of a prepared and successful workforce.

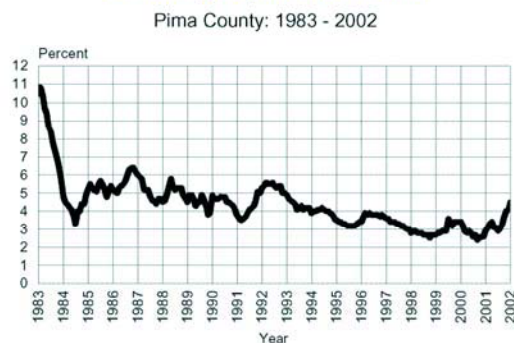
### Priority Projects:

- **Assist Businesses with Employee Training** – Expand "on demand" training programs available through agencies such as Southern Arizona Institute for Advanced Technology (SAIAT) and help businesses apply for State Workforce Development Grants to assist employers in training both newly hired employees as well as incumbent employees.

- **Support Workforce Development Programs** – Coordinate with Pima County Workforce Investment Board to implement an accountability system for workforce development programs to ensure that agencies receiving City funding are not duplicating training programs and to establish and monitor program outcomes.

- **Partnership for Community-based Workforce Development** – Provide a link between business and neighborhoods to identify career opportunities and develop related curriculum, partners, and funding to deliver quality training.

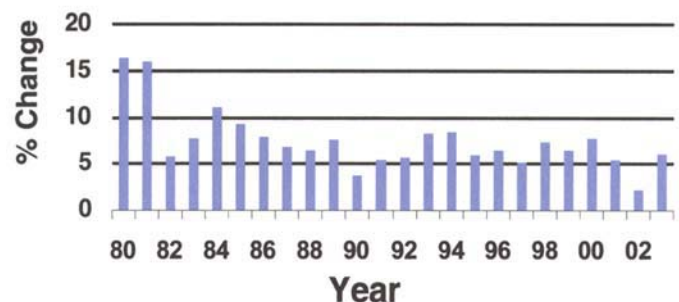
### Unemployment Rate



Tucson Planning/Az. D.E.S.

### Personal Income Growth

#### Metro Tucson





### **3. Improve community infrastructure to support and encourage economic expansion and opportunity in a global marketplace.**

#### **Priority Projects:**

#### **• Invest in Downtown, Transportation, Neighborhoods, as well as Plan for Growth –**

Investment in the other Mayor and Council focus areas provides the basis for economic success. The quality of our community infrastructure will greatly affect our ability to meet the needs of all of our citizens - corporate and private.

#### **• Improve the Community's Ability to Fairly and Equitably Fund Services Necessary to Support a Healthy Economy –**

Participate with local business and economic development organizations in an evaluation and examination of how government services are funded and provided.

#### **• Develop Tucson as an Inland Port and International Economic Gateway –**

Continue to further Puerto Nuevo implementation by securing Federal Port designation and developing an

International Trade Processing Center. Support development of the I-10/I-19 southern connector route to serve as a bypass road and allow for the faster movement of freight through Tucson. Continue to support the development of the CANAMEX Corridor and ensure the development of the necessary infrastructure to connect Mexico with Canada through Arizona. Work with Tucson International Airport to expand flight service and commercial transport facilities. Work with Port of Tucson Rail & Truck Intermodal Center and the University of Arizona Science & Technology Park to further develop linkages with Mexico.

**• Sierra Madre Express –** Continue to explore expanding this private rail passenger service, (which for 22 years has provided roundtrip rail service into the Copper Canyon) to include service from Tucson's revitalized Downtown Depot. Federal Transit Administration dollars will be used to fund the enhancements to the existing rail line.